



GOVERNOR'S ACTION ON APPROPRIATION ACTS

Governor's Action. The Governor has signed or item vetoed and signed all of the appropriation acts approved during the 2016 Legislative Session. The Fiscal Services Division will be publishing final NOBAs (Notes on Bills and Amendments) that reflect the Governor's item veto action and signature. Links to those will be provided in a future Fiscal Update article. The Governor's did not item veto any revenue adjustments or appropriations passed by the General Assembly. The Governor's item vetoes are summarized below:

HF 2454 (Agriculture and Natural Resources Appropriations Act), Section 24. The Governor vetoed language related to a feasibility study of installing electronic systems at the entrance of a state park and talking to park users and supporters about the possibility of requiring an entrance fee. The Governor indicated that he does not support charging a user fee for state parks. During the 1980s a fee was discontinued after a few years because the fee was disliked. The Governor said a study of user fees is not needed because it is already known that a user fee would be unpopular. The Department of Natural Resources can complete a feasibility study of installing electronic systems at state park entrances, but it will not include data on a user fee.

HF 2459 (Standing Appropriations Act)

- **Section 9.** The Governor vetoed legislative intent language specifying that state agencies use an existing master agreement entered into with the Department of Administrative Services (DAS) to develop a standardized and automated payroll preparation process for state agencies. The Governor stated that agencies were not appropriated additional funds for the cost of the new system, it would require the state to add multiple systems for payroll, and the master contract does not have the full range of functionality provided by the current systems. He further stated that for transparency purposes, if the state were to choose to expand the system statewide, the contract would have to be re-bid to cover the increased scope of the system.
- **Section 12, Subsections 2 and 3.** The Governor vetoed provisions pertaining to requirements that natural hair braiders take one hour of safety and sanitation curriculum per year and a requirement that gives the Department of Public Health (DPH) the authority to order a person to cease hair braiding if a violation of a requirement is determined. The Governor retained a provision that requires natural hair braiders to register with the DPH in lieu of the Board of Cosmetology Arts and Sciences.
- **Section 14.** The Governor vetoed the repeal date of July 1, 2018, of a provision that allows a certain percentage of Iowa students to open enroll for purposes of taking online courses. The Governor stated that students enrolled in online learning programs may be targets of bullying, medically fragile, or individuals who struggle in the traditional classroom setting. He further stated that there should be a variety of options available to students, including online learning, to ensure academic success.

HF 2460 (Health and Human Services Appropriations Act)

- **Section 10.23.** The Governor vetoed language prohibiting the Department of Human Services (DHS) from implementing two cost containment strategies related to crossover claims and primary care physician rates and stated the DHS must have the tools and flexibility to manage the Medicaid Program and that the restriction on the management and oversight authority is inappropriate. If the Governor implements those provisions, it will save the Medicaid Program \$13.0 million in FY 2017 (\$8.0 million savings for crossover claims and \$5.0 million savings for primary care rate changes).

- **Section 10.24.** The Governor vetoed language requiring the DHS to report the implementation of any cost containment strategies. The Governor noted that the DHS, the Department of Management, and the Legislative Services Agency meet on a monthly basis to determine projections for Medicaid, and information relating to cost containment strategies are shared during these meetings and are also available within the state's accounting and budgeting system.
- **Section 27.11A(b).** The Governor vetoed language setting a rate floor for providers under Medicaid managed care. The Governor stated the DHS already includes protections for providers and their reimbursement, and the restrictions in this item are redundant and unnecessary.
- **Section 54.** The Governor vetoed language requiring the DHS to explore alternatives to the hospital health care access assessment methodologies. The Governor stated that the provision limits the ability of DHS to review all alternative assessment methodologies for the hospital health care access assessment.
- **Division XVII.** The Governor vetoed the Division that grandfathers in any hospital's Trauma Care Service Categorization Level II certificate achieved before July 1, 2015, as long as the hospital continues to meet the requirements existing at that time. The Governor stated that it would prevent the Department of Public Health and the Trauma Systems Advisory Council from effectively carrying out its regulatory obligations.

SF 2314 (Administration and Regulation Appropriations Act), Section 17. The Governor vetoed language that created new annual reports, established an interim study committee, and limited the use of certain fees collected by the DAS. The Governor stated this language was redundant and unnecessary.

SF 2323 (Education Appropriations Act), Section 18 and Section 19.5. The Governor vetoed language that suspends the State Board of Education's administrative rule for implementation of the Smarter Balanced Assessments and requires review of the rule by the Administrative Rules Review Committee (ARRC) in December 2016. The Governor stated that students will be best served by the Department of Education moving forward immediately to prepare for implementing the new assessments that begin during the 2017-2018 school year. The assessments were originally set to begin during the 2016-2017 school year, but Section 6 of SF 2323 delays the assessments by one year.

Additional Information. The Governor's signing statements are available here:
<https://governor.iowa.gov/bills-signed-into-law>.

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